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Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources

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Economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and the Arab population in the occupied Syrian Golan

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Note by the Secretary-General

In its resolution 2006/43, the Economic and Social Council requested the Secretary-General to submit to the General Assembly at its sixty-first session, through the Council, a report on the implementation of that resolution. The Assembly, in its resolution 61/184, also requested the Secretary-General to submit a report to it at its sixty-second session. The present report, which has been prepared by the Economic and Social Commission for Western Asia, is submitted in response to the resolutions of the Assembly and the Council.

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Report prepared by the Economic and Social Commission for Western Asia on the economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan*

Summary

The occupation of Palestinian territory by Israel continues to deepen the economic and social hardship for Palestinians. Citing the right to self-defence from such actions as the continuation of attacks by Palestinian militants on Israeli civilians, the launching of rockets into Israeli cities from the Gaza Strip and the capture of an Israeli corporal, the Israeli army continues to mount military operations in the occupied Palestinian territory, employing arbitrary detention, disproportionate use of force, house demolitions, severe mobility restrictions and closure policies. However, there has been a marked decline in Palestinian-Israeli violence in Gaza since the ceasefire of 26 November 2006.

The Israeli closure system remains a primary cause of poverty and humanitarian crisis in the occupied Palestinian territory, and restricts Palestinian access to health and education services, employment, markets and social and religious networks.

The fiscal situation deteriorated significantly following the legislative elections of January 2006. In line with the principles set by the Quartet on 30 January 2006, the election results led donors to reconsider their aid to the Palestinian Authority. Palestinian GDP declined by approximately 8 per cent in the third quarter of 2006 compared to the same period in 2005. Economic indicators continue to show negative trends. Unemployment and poverty rates remained high, estimated at 30 and 64 per cent respectively, while 65 per cent of households rely on informal borrowing to subsist.

Israeli settlements, land confiscation and the construction of a barrier in the occupied Palestinian territory, contrary to the Geneva Convention and other norms of international law, isolate occupied East Jerusalem, bisect the West Bank and curtail normal economic and social life.

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Refugees, women and children bear the brunt of these measures. Malnutrition and other health problems afflict a growing number of Palestinians at a time of curtailed access to needed services. In the Gaza Strip alone, 57.5 per cent of children from 6 to 36 months old and 44.9 per cent of pregnant women are anaemic.

I. Introduction

1. In its resolution 2006/43, the Economic and Social Council stressed the importance of reviving the Middle East peace process on the basis of Security Council resolutions, including 242 (1967), 338 (1973), 425 (1978), 1397 (2002), 1515 (2003) and 1544 (2004), and the principle of land for peace as well as compliance with the agreements reached between the Government of Israel and the Palestine Liberation Organization, the representative of the Palestinian people. In the same resolution, the Economic and Social Council urged all parties to respect the rules of international humanitarian law and to refrain from violence against the civilian population in accordance with the Geneva Convention relative to the Protection of Civilian Persons in Time of War, of 12 August 1949.[1] The Council, convinced that the Israeli occupation has gravely impeded efforts to achieve sustainable development and a sound economic environment in the occupied Palestinian territory, including East Jerusalem, and in the occupied Syrian Golan, and concerned by the formidable impact on the economic and social conditions of the Palestinian people caused by the construction of the wall and its associated regime inside the occupied Palestinian territory, including in and around East Jerusalem, and the resulting violation of their economic and social rights, including the right to work, to health, to education and to an adequate standard of living, recalled in this regard the International Covenant on Civil and Political Rights,[2] the International Covenant on Economic, Social and Cultural Rights[2] and the Convention on the Rights of the Child,[3] and affirmed that these human rights instruments must be respected in the occupied Palestinian territory, including East Jerusalem and the occupied Syrian Golan. The Council stressed the need to preserve the national unity and the territorial integrity of the occupied Palestinian territory, including East Jerusalem, and to guarantee the freedom of movement of persons and goods in the territory, including the removal of restrictions on going to and from East Jerusalem, and the freedom of movement to and from the outside world. It also stressed that the wall being constructed at an accelerated pace by Israel in the occupied Palestinian territory, including in and around East Jerusalem, is contrary to international law and is isolating East Jerusalem and dividing up the West Bank and is seriously debilitating to the economic and social development of the Palestinian people, and[4] calls in this regard for full compliance with legal obligations laid out in the advisory opinion of the International Court of Justice rendered on 9 July 2004 (see A/ES-10/273 and Corr.1) and in General Assembly resolution ES-10/15. In that resolution, the Assembly reaffirmed the inalienable rights of the Palestinian people and the Arab population of the occupied Syrian Golan to all their natural and economic resources, and called upon Israel, the occupying Power, not to exploit, endanger or cause loss or depletion of those resources; it also reaffirmed that Israeli settlements in the occupied Palestinian territory, including East Jerusalem and the occupied Syrian Golan, are illegal and an obstacle to economic and social development and called for the full implementation of the relevant Security Council resolutions and requested the Secretary-General to submit to the Assembly, through the Council, a report on the implementation of the resolution.

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[1] United Nations, *Treaty Series*, vol. 75, No. 973.

[2] See General Assembly resolution 2200 A (XXI), annex.

[3] United Nations, *Treaty Series*, vol. 1577, No. 27531.

2. In its resolution 61/184, the General Assembly reaffirmed the inalienable rights of the Palestinian people and the population of the occupied Syrian Golan over their natural resources, including land and water, and called upon Israel, the occupying Power, not to exploit, damage, cause loss or depletion of, or endanger the natural resources in the occupied Palestinian territory, including Jerusalem and in the occupied Syrian Golan. The Assembly recognized the right of the Palestinian people to claim restitution as a result of any exploitation, damage, loss or depletion, or endangerment of their natural resources resulting from illegal measures and actions taken by Israel, the occupying Power, in the occupied Palestinian territory, including East Jerusalem. The Assembly stressed that the wall being constructed by Israel in the occupied Palestinian territory, including in and around East Jerusalem, is contrary to international law and is seriously depriving the Palestinian people of their natural resources, and called in this regard for full compliance with the legal obligations stipulated in the 9 July 2004 advisory opinion of the International Court of Justice and in resolution ES-10/15. The Assembly called on Israel, the occupying Power, to cease the dumping of all kinds of waste materials in the occupied Palestinian territory, including East Jerusalem, and in the occupied Syrian Golan, which gravely threaten their natural resources, namely the water and land resources, and poses an environmental hazard and health threat to the civilian populations. The Assembly further called upon Israel to cease its destruction of vital infrastructure, including water pipelines and sewage networks, which, inter alia, has a negative impact on the natural resources of the Palestinian people. The Assembly requested the Secretary-General to submit a report to it at its sixty-second session on the implementation of the resolution.

II. Occupied Palestinian territory, including Jerusalem

Death and injuries

3. Citing the right to self-defence from such actions as the continuation of attacks by Palestinian militants on Israeli civilians, the launching of rockets into Israeli cities from the Gaza Strip and the capture of an Israeli corporal, the Israeli army continues to mount military operations in the occupied Palestinian territory. However, there has been a marked decline in Palestinian-Israeli violence in Gaza since the ceasefire of 26 November 2006. From January 2006 to February 2007, the Office for the Coordination of Humanitarian Affairs recorded 697 Palestinian fatalities and 3,558 injuries as a direct result of the conflict. A total of 132 Palestinian children were killed and 515 injured.[4] No fewer than 28 of those killed and 120 of those wounded attended schools run by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). One of the deaths in the West Bank and two of the injuries in the Gaza Strip occurred while the pupils were inside their classroom.

4. In the 15 unmarked Israeli minefields in the West Bank and the Jordan Valley,[5] at least 21 casualties related to mines or explosive remnants of war were recorded from January to May 2006 (6 killed, 15 injured), mostly children.[6] In addition, Israel has introduced the use of dense inert metal explosive missiles in Bayt Hanun

[4] www.ochaopt.org/documents/PoC_tables_Feb07.xls.

[5] See Portfolio of Mine Action Projects 2006, at www.mineaction.org.

[6] *Landmine Monitor 2006*, at www.icbl.org/lm/2006/palestine.html#tnB75.

and elsewhere in the Gaza Strip, causing an increasing number of injuries that necessitate amputations.[7]

5. From January 2006 to February 2007, internal Palestinian violence, characterized by tensions between the main Palestinian factions, armed confrontations between established security organs, the creation of new security bodies, the proliferation of weapons in the Gaza Strip and the hardening of political positions, caused 248 fatalities, of which 20 were children; 1,350 injuries were recorded.[8] It should be noted that the most significant increase in Palestinian deaths and injuries was a result of intra-Palestinian violence. The Office of the United Nations Special Coordinator for the Middle East Peace Process calculated a tenfold increase in 2006 over 2005.

6. From January 2006 to February 2007, attacks by Palestinian armed elements reportedly killed 29 Israelis and injured 524.[8]

Arbitrary arrests and detentions

7. As at March 2006, over 9,400 Palestinian political prisoners remained in Israeli prisons, 421 of whom had been imprisoned for over 10 years. Since January 2006, Israeli authorities have arrested an average of 500 Palestinians per month in serial raids on towns, particularly Bayt Hanun, Nablus and Jenin.[9]

8. About 120 Palestinian women political prisoners remain in Israeli jails, including two under 18 years of age.[10] According to the United Nations Development Fund for Women (UNIFEM), 8 female detainees have given birth in prison; 3 are imprisoned with their babies; 31 are not allowed to care for their children; 6 have been deprived of family visits; and 8 have been diagnosed with chronic psychological problems.

9. As at 30 September 2006, the Israeli army was detaining 389 Palestinian children, including two 12-year-old boys. It is reported that Israeli authorities have used physical coercion on 60 per cent of the children.[11]

10. At the end of December 2006, Israeli authorities were detaining 20 United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) West Bank staff members and denying UNRWA access to them.

Population displacement

11. The ongoing construction of the barrier in the West Bank has contributed to population displacement throughout the West Bank and occupied East Jerusalem.

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[7] Report of the Special Rapporteur on the situation of human rights in the Palestinian territories occupied since 1967, John Dugard (A/HRC/4/17), para. 10.

[8] www.ochaopt.org/documents/PoC_tables_Feb07.xls.

[9] A/HRC/4/17, paras. 10 and 43.

[10] See website of the Women's Organization for Political Prisoners, www.wofpp.org/english/december.html.

[11] Report of the Secretary-General on children and armed conflict (A/61/529-S/2006/826), para. 65.

Of the 32.9 per cent of Palestinians living in Jerusalem who recently changed their place of residence, 17.3 per cent did so because of the barrier.[12]

12. Although population data will not be updated until the census is conducted later in 2007, the closures of the towns and villages of the West Bank, the circumvention of occupied East Jerusalem, the construction of the barrier, physical isolation and the closures imposed on the Gaza Strip have most likely led to internal migration patterns.

Property destruction and confiscation

13. In 2006, UNRWA recorded a total of 233 Palestinian structures demolished by the Israeli army in the West Bank. Of those, 115 were residential homes, 74 agricultural sites, 35 commercial stores and 9 public facilities. According to the Palestinian Bureau of Statistics, 29,314 households currently live in Israeli-damaged homes, 28,997 in Gaza Strip and 317 in the West Bank.[13]

14. Nablus was the most affected area. On 26 August 2006, 19 houses were demolished by the Israeli authorities in Nablus city. A total of 23 commercial roadside structures, used by farmers to market their produce, were demolished in Bardala village and in Marj Na`ja in the Jordan Valley for alleged lack of permits. For the same reason, the Israeli army demolished 14 livestock barracks in Zbeidat, Khibat Atuf, Frush Beit Dajan, Jiftlik and Ash Shuna.

15. Confiscation orders continued to be issued by the Israeli authorities throughout 2006. According to UNRWA, land confiscation orders were issued for 3,845 dunums in the southern West Bank (in Al Khadr, Um Salmuna, Halhoul, Yatta, Ad Dahiriyah and Beit Ummar), 1,768 dunums in the northern West Bank (in Deir Ballut, Burgin, Hajjah, Faroun, Asira and Kufur Laqef) and 1,337 in the central West Bank (mostly in Anata and Bir Nabala).

16. During 2006, the Israeli Jerusalem municipality used its home-demolition budget of 4 million new Israeli sheqalim (NIS) to flatten 68 Palestinian homes. According to a report issued by the Land Research Center in February 2007, the Jerusalem municipality conducted 10 more forced evictions of Palestinian inhabitants predicated on the state of disrepair of their homes.[14] In 2006, Palestinian inhabitants of occupied East Jerusalem lost 6,000 m^2 of residential space. The Israeli Committee against House Demolitions reported that the municipality had also confiscated building machinery, especially cement mixers, forcing higher prices for building cement, and increased the rate of financial guarantees required for courts to suspend demolitions. Israeli authorities have given forewarnings of more demolitions of Palestinian homes in 2007.

17. From March 2006 to the end of January 2007, in the Gaza Strip, the Israeli army damaged 3,077 refugee shelters and demolished 210, affecting 3,356 families.

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[12] Badil Resource Center for Palestinian Residency and Refugee Rights and the Norwegian Refugee Council/Internal Displacement Monitoring Centre, *Displaced by the Wall: Pilot Study on Forced Displacement caused by the Construction of the West Bank Wall and its Associated Regime in the Occupied Palestinian Territories* (Bethlehem and Geneva, 2006). Also available from www.badil.org/publications/Books/Wall-Report.pdf.

[13] "A Report about Housing Conditions in the Palestinian Territory, 2006", Palestinian Central Bureau of Statistics.

[14] Land Research Center report, 19 February 2007.

This is a major deterioration from 2005, when 116 shelters were damaged and 37 were demolished.

18. The Gaza Strip also saw a vast increase in land levelling and excavating operations. At least 6,516 dunums of agricultural land were bulldozed in the Gaza Strip.

19. On 27 June 2006, the Israeli Air Force destroyed six transformers of the Gaza Strip's only domestic power plant, which supplied 43 per cent of Gaza's daily needs. Full electrical capacity has since been restored to Gaza by means of technical assistance from Egypt and financial support from Sweden.[15]

20. No quantification of the demolition and confiscation losses in the occupied Palestinian territory, including occupied East Jerusalem, currently exists. However, the direct damages from the military offensive by Israel from 26 June to 28 August 2006 were estimated by the United Nations Development Programme (UNDP) at US$ 46 million in the Gaza Strip alone.

21. In April 2006, the Israeli army narrowed the "safety zone" for artillery shelling, allowing targeting much closer to Palestinian homes and populated areas, which contributed substantially to the increase in the loss of life and property. The assault on Bayt Hanun confined 40,000 residents to their homes under curfew, as Israeli military operations resulted in the destruction of 279 homes, an 800-year-old mosque, public buildings, electricity networks, schools and hospitals, orchards, water and sanitation networks; paved roads were ripped up with specially designed back-hoes.[16] UNDP estimated infrastructure damages at $2,372,970.

Mobility restrictions and closure policies, including access to humanitarian assistance

22. The Agreement on Movement and Access signed by the Palestinian Authority and the Government of Israel under the auspices of the Quartet contains specific provisions for the movement of people and goods within the occupied Palestinian territory and outside it.

23. The first of the six points of the Agreement was the re-opening of the Rafah border crossing with Egypt, which opened on 15 November 2005. It was the first historical instance of Palestinian Authority control over an international land border crossing. From 26 November 2005 to 25 June 2006, Rafah was continuously open for passengers travelling in both directions.

24. Following an attack by Palestinians on an Israeli military post at Kerem Shalom and the capture of an Israeli soldier on 25 June 2006, the crossing was closed and access by the Border Assistance Mission of the European Union to the Rafah terminal was restricted by the Israeli authorities on security grounds. Since then, the crossing has been opened on an exceptional basis, such as during peak periods of movement by students or pilgrims. Overall, Rafah was open for an average of 14 per cent of scheduled days between 25 June and 15 December 2006. Infrequent and sporadic openings of the crossing have led to large crowds gathering

[15] See A/HRC/4/17, para. 19. See also "Act of Vengeance: Israel's Bombing of the Gaza Power Plant and its Effects", in *B'Tselem* (September 2006), available from www.btselem.org/English/Summaries/200609_Act_of_Vengeance.asp.

[16] A/HRC/4/17, para. 10.

at the terminal on designated days, leading to public insecurity. Although the mandate of the mission was renewed in November 2006, its access to the terminal remains restricted because of Israeli security concerns.

25. The Karni crossing remained closed for over 50 per cent of the scheduled time. Openings were often only partial, owing to perceived security threats by Israel. Both imports into Gaza and exports from the Strip to Israel, the West Bank and beyond suffered as a result. However, in the period from November 2006 to March 2007, exports through Karni increased by 115 per cent, which was an improvement, though still short of the targets of the Agreement on Movement and Access. Food imports plummeted in April and May, resulting in a drastic fall in Gaza's strategic reserves of wheat flour and the closure of main bakery outlets along the Strip. Import restrictions were eased in May under heavy international pressure. Gaza exports, however, experienced the deepest and most sustained restrictions during 2006. Only 12 export truckloads, on average, were able to leave Gaza from January to November 2006, a mere fraction of the 400 trucks per day envisaged for the end of 2006 under the Agreement. The effect of export restrictions on Gaza producers was severe, with some millions in lost revenues for the period.

26. The Sufa crossing is the main passage point for the import of aggregates used for construction into the Gaza Strip, and is covered by the Agreement on Movement and Access. The crossing was closed on 14 February. Since then it has not opened regularly. Overall, the crossing remained open for 60 per cent of scheduled days during the first year of implementation of the Agreement, restricting the importation of aggregates into the Gaza Strip. One effect of the restriction has been to raise the price of aggregate building materials in the Gaza Strip.

27. The Agreement provided for measures to ease the movement of Palestinians and commercial goods within the West Bank. The decrease in West Bank checkpoints, which had been verified at the end of 2005, was reversed in 2006. According to the Office for the Coordination of Humanitarian Affairs, the number of physical obstacles in the West Bank grew from 475 in January 2006 to 550 in February 2007. The main impact of these measures has been the fragmentation of the Palestinian economy in the West Bank and serious disruptions to normal links between communities and public services, employment and land.

28. The target date for establishing bus convoys to link the West Bank with the Gaza Strip, in accordance with the Agreement, was 15 December 2005; for establishing truck convoys, the date was 15 January 2006. Neither deadline was met and there has been no movement towards implementation of this provision of the Agreement.

29. The construction of a seaport has not started, and no discussions on security arrangements, reconstruction and operation of the airport have been held. The Israeli army occupied the Gaza airport for five months up to the week of 22 November 2006. Airport damages as a result of the Israeli military operation amount to an estimated $16 million.

30. The access of holders of West Bank identification cards to occupied East Jerusalem has deteriorated further since the introduction of new, elaborate terminal systems restricting access from both the Bethlehem (south) and Ramallah (north) directions. According to the Office for the Coordination of Humanitarian Affairs, since January 2006, the Israeli army has barred Palestinian pedestrians and vehicles

from using 8 of the 12 routes to occupied East Jerusalem. Increasingly restricted access to occupied East Jerusalem impedes the ability of UNRWA to deliver refugee services to the West Bank, as 65 per cent of its West Bank field office staff are West Bank identification card holders.

31. In the West Bank, among the thousands of incidents of delayed and denied access reported by UNRWA staff, a good number affected the delivery of emergency humanitarian assistance, in particular through the hindrance of the movement of Agency or contracted vehicles transporting food aid, medicines, mobile health teams or food distribution teams. Regular programmes were affected by the impeded movement of teachers, social workers and field office staff, and the imposition of curfews on West Bank camps, villages and towns further added to the disruption of Agency services. The West Bank field office has lost an estimated 832 man-days since March 2006.

Barrier

32. Israel continues construction of the barrier, contrary to General Assembly resolution ES-10/15, in which the Assembly acknowledged the advisory opinion of the International Court of Justice that the construction of the barrier in the occupied Palestinian territory, including in and around occupied East Jerusalem, was contrary to international law.

33. The construction of the barrier is having a major humanitarian impact on Palestinian communities living in the West Bank. On 30 April 2006, the Israeli Cabinet approved a second revision of the barrier route. Accordingly, the barrier will be 703 km long, an increase of 33 km compared to the previous plan.[17] The Emmanuel and Ari'el settlement groups will be split into separate fingers surrounding more than 25,500 Palestinians on three sides, with one access route on the east side of the barrier. As a result, 10,771 Palestinians from Deir Ballut, Rafat and Az Zawiyah villages will remain on the west side of the barrier, between the Green Line and the barrier. Though this will leave three Palestinian villages east of the barrier, the environmental impact on their lands will be considerable. According to the new revised route, the barrier will move approximately one and a half kilometres northwards from road 465 and incorporate olive groves and land from Rantis village. Beit Iksa village and surrounding lands will become part of the Biddu/Beit Surik enclave (about 46,321 people), currently surrounded by the barrier on three sides and closed by road 443 northwards. Al Walaja village will be encircled by the barrier and isolated from its farmland. Many sections of the barrier in the south, originally planned to be built on the Green Line, will be moved inside the West Bank.[18]

34. As at February 2007, 58 per cent of the barrier had been completed (408 km) and 9 per cent was still under construction. Construction advanced in occupied East Jerusalem, where about 55 per cent of the plans had been completed and 10 per cent were under construction. As a result, about 3,000 Bedouins living in the Ma'ale Adumin area, most of whom are refugees, are likely to be forcibly displaced. Once completed, 80 per cent of the barrier will lie within the occupied Palestinian territory and only 20 per cent on the Green Line. Furthermore, 575 km^2 (about

[17] See the website of the Israeli Ministry of Defense at www.seamzone.mod.gov.il.

[18] Office for the Coordination of Humanitarian Affairs, preliminary analysis of the humanitarian implications of the April 2006 barrier projections.

10 per cent of the West Bank area) will be isolated between the barrier and the Green Line in the "seam zone". On the basis of the current route, 60,500 Palestinians living in that area will be severely affected in their access to the West Bank and main sources of livelihoods, and 31,400 will be completely encircled by the barrier.[19]

35. Palestinian communities located east of the barrier are facing increasing difficulties in reaching their farm and grazing land in the closed areas. Although the Government of Israel maintained that the barrier would not affect ownership of land and residents' access to their sources of livelihoods,[20] the Israeli permit regime and the erratic operation of gates are severely hindering Palestinian farming practices. Over 230 km^2 of the West Bank's most fertile land (some 15 per cent of all West Bank agricultural land) has already been confiscated in connection to the construction of the barrier[21] and the risk of further dispossession is very high owing to the inability of Palestinian farmers to secure continuous access to their land.

Israeli settlements

36. According to military sources, Israel's Civil Administration (the military administration in the occupied Palestinian territory) has handed over thousands of dunums of Palestinian lands in the Jordan Valley for illegal settlement construction and army bases.[22] Meanwhile, Israel authorized the establishment of a new settlement, Maskiot, in the Jordan Valley issuing a permit for the first 30 of 100 residential units. Construction of the units has not yet started.[23]

37. In March 2006, the Israeli settler population in the West Bank totalled 246,100. Their growth rate remains high, at 5.1 per cent, in contrast with the 1.8 per cent general population growth rate in Israel.[24] According to the Palestinian Central Bureau of Statistics as at January 2007, settlers numbered 260,000, in addition to some 200,000 living in occupied East Jerusalem.

38. Israeli military orders confirmed the confiscation of 1,328 dunums in occupied East Jerusalem, reportedly for the expansion of the Almon settlement near Ma'ale Adumim, which bisects the West Bank. In mid-2006, the Government of Israel authorized the near doubling of the Ramat Shlomo settlement (with about 2,000 units) in occupied East Jerusalem.[25] Some 2,700 to 3,000 Jahalin Bedouin now face further displacement by the end of 2007 to make room for the expansion of the Ma'ale Adumim E1 Block and the construction of the barrier.[26]

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[19] Office for the Coordination of Humanitarian Affairs, West Bank barrier route projections, July 2006.

[20] Summary legal position of the Government of Israel (A/ES-10/248, annex I).

[21] United Nations Conference on Trade and Development, Report on UNCTAD's Assistance to the Palestinian People, July 2006 (TD/B./53/2).

[22] Foundation for Middle East Peace, "Jordan Valley Short Takes", *Settlement Report*, vol. 17, No. 1 (January-February 2007).

[23] European Union Presidency statement on the Israeli-Palestinian relations (press release 544/2006, 27 December 2006; available from www.eu2006.fi/en_GB.

[24] "Population in Israel and West Bank settlements, 1995-2005", *Report on Israeli Settlement in the Occupied Territories*, vol. 16, No. 5 (September-October 2006).

[25] *Kol Ha'Zeman* (26 May 2006).

[26] Report of the Badil Resource Center for Palestinian Residency and Refugee Rights, 7 March 2007.

39. More than 3,500 housing units were under construction in West Bank settlements in October 2006, compared to 4,144 in October 2005.[27] Formerly temporary West Bank outposts have become permanent, as in the notable cases of Neve Erez, Nofei Prat, Palgei Mayim and Zayit Raanan in the Ramallah area.[28]

Natural resources, water and environment

40. The construction of the barrier has closed off the access of Palestinians to 95 per cent of their own water resources (630 million m^3 of 670 million m^3 annually) by destroying 403 wells and 1,327 cisterns.[29] It has cut off access of owners to 136 wells providing 44.1 million m^3 of water annually. The barrier has closed 46 springs (23 million m^3/year) and 906 dunums of underground water (99 per cent of underground West Bank water).[30] Consequently, over 7,000 Palestinian agriculture-dependent families have lost their livelihood[29] in a region where water resources are scarce and increasingly costly to develop.[31] The latest barrier route will isolate another 62 springs and 134 wells in the "seam zone".[32]

41. The quantity and quality of water supply and sanitation services for Palestinians in the occupied Palestinian territory are insufficient, inefficient and unreliable. The overall daily average of water consumption per capita in the occupied Palestinian territory is 85 litres (75 in the West Bank and 95 in the Gaza Strip), far below the minimum standard recommended by the World Health Organization (WHO) of 150 litres. Only 45 per cent of domestic water services meet WHO quality standards in the Gaza Strip, where high chloride and nitrate concentrations abound. In the West Bank, 87 per cent of the population accesses piped water, where 220 unserved communities rely on rainwater harvesting and costly water purchases, subjecting them to waterborne diseases and deeper impoverishment.

42. Israeli settlements and the behaviour of settlers put strain on the environment, as seen in the destruction of hundreds of fruit-bearing trees in 2006 by burning, felling and uprooting. Settlements occasionally direct their sewage flow on to agricultural lands of Palestinian farmers, affecting the West Bank villages of Yatta, Wadi Fukin and Nahhalin.[33]

43. While Israel's settlement practices are the primary cause of environmental degradation, weak and fragmented wastewater and waste management also play a role. The lack of solid waste disposal services leads to increased burning. Smoke from waste burning was the principal air pollutant for 48.4 per cent of exposed households in 2006 in the occupied Palestinian territory.[29]

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[27] Peace Now report in *Ha'aretz* (3 October 2006).

[28] *Yediot Aharonot* (16 November 2006).

[29] Data supplied by the Palestinian Central Bureau of Statistics.

[30] See Palestinian Agricultural Association, "Impact of occupation and globalization on the agricultural sector in the Occupied Palestinian Territories", presentation at World Social Forum 2007, Nairobi (20–25 January 2007).

[31] UNDP, "Water rights in the Occupied Palestinian Territory", *Human Development Report* (New York: UNDP, 2006).

[32] See Applied Research Institute — Jerusalem, "The Effect of the Israeli Segregation Wall on the Palestinian Natural Resources", October 2006. Available from www.poica.org/editor/case_studies/view.php?recordID=929.

[33] See "Foundation for Middle East Peace Settlement Timeline", *Settlement Report*, vol. 16, No. 4 (July-August 2006) and vol. 17, No. 1 (January-February 2007).

Palestinian fiscal crisis

44. The fiscal situation of the Palestinian Authority was already considered unsustainable by the end of 2005. The fiscal situation further deteriorated following the victory of Hamas in the legislative elections in January 2006. Those electoral results led to a significant review of donor policies towards the Palestinian Authority. In March 2006, a number of key donors started rechannelling their financial support to Palestinians away from the Palestinian Authority pending its commitment to the three principles laid down by the Quartet on 30 January 2006, namely, the renunciation of violence, the recognition of Israel, and the acceptance of previous agreements and obligations, including the road map. For its part, Israel withheld Customs and Value Added Tax (VAT) revenues from the Palestinian Authority amounting to roughly $60 million per month plus interest, or approximately 50 per cent of the Palestinian Authority's monthly budget. Through the Quartet and other channels, the United Nations worked to facilitate the release of Palestinian Customs and tax revenues through agreed mechanisms; following the meeting of Mahmoud Abbas and Ehud Olmert in December 2006, Israel authorized a transfer of $100 million. The transfer was made in January 2007. The United Nations views that as a first positive step, and encourages a return to regular transfers as agreed between the parties.

45. According to the International Monetary Fund (IMF), the financial resources of the Palestinian Authority shrank by 60 per cent, from $1.2 billion in the third quarter of 2005 to $0.5 billion by the same quarter of 2006.[34] This decline put significant strain on Palestinian institutions, particularly those providing basic public services and security, and all but halted salary payments to approximately 165,000 Palestinian Authority employees (supporting an estimated one quarter of the Palestinian population).

46. Loss of public salaries was partially compensated by the distribution of cash allowances to public sector workers and social hardship cases. Overall, the equivalent of 40 per cent of salaries was paid through the temporary international mechanism of the European Commission and Presidential accounts in 2006.[35] In addition, the international community channelled some $450 million, equivalent to 15 per cent of GDP and 90 per cent of Government revenues for the year, in direct humanitarian assistance to Palestinians through United Nations agencies and non-governmental organizations. Together, these measures helped to mitigate the full effect of the fiscal crisis of the Palestinian Authority in 2006.

Public health and food insecurity

47. Under the temporary international mechanism, which supported the payment of allowances and non-salary costs for the health sector, health workers received, on average, up to 60 per cent of their normal wages from April 2006 to January 2007. Nevertheless, the financial crisis has left the public health system unable to sustain care levels, especially as 2006 was a non-investment year. Hospitals lack adequate supplies, equipment maintenance, cleaning agents and the hygienic environments necessary to control infections.

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[34] IMF, *West Bank and Gaza: Recent Fiscal and Financial Developments*, October 2006.

[35] IMF, *Mission Statement: 17 December 2006*.

48. The 15-week public workers strike over unpaid wages further crippled health services and put more pressure on clinics run by international and non-governmental organizations. Meanwhile, the Augusta Victoria Hospital in occupied East Jerusalem, which serves West Bank Palestinians, actually saw a 30 per cent decrease in in-patient numbers, due to the barrier and associated movement restrictions.[36]

49. Access to reproductive health care, including antenatal, delivery and post-natal care has been jeopardized by the long closures, the financial crisis of the Ministry of Health and the ongoing Israeli military incursions. Both primary and secondary services have declined, especially as the large majority of delivery and newborn care services (80 per cent of the deliveries in six Health Ministry hospitals in the West Bank and the Gaza Strip) are unable to perform regular maintenance. Pregnant women with post-natal complications may also be at greater risk when discharged too early from hospital owing to lack of staff and space. Emergency obstetrics has become a priority.

50. Five UNRWA mobile clinics in the "seam zone" and frontier villages are increasingly becoming the only accessible health-care services for residents of remote localities, seeing 11,200 patients monthly in 2006. Logistical constraints foiled plans to facilitate access to primary health-care services in isolated rural areas through five additional health points.

51. Food insecurity disproportionately affects women and children. A study conducted by UNRWA in September 2006 revealed that 57.5 per cent of children from 6 to 36 months and 44.9 per cent of pregnant women in the Gaza Strip were anaemic. Of children under 5, 22 per cent were vitamin A-deficient;[37] 20 per cent showed signs of iodine deficiency (32 per cent in the West Bank and 3 per cent in the Gaza Strip); and 4.1 per cent suffered from clinical vitamin D-deficiency (rickets) in the Gaza Strip. The increased incidence of non-communicable diseases, such as diabetes mellitus, cardiovascular diseases and cancer represents an epidemiological shift that imposes additional burdens on the scarce human and financial resources.

52. Significantly, 65 per cent of households rely on informal borrowing to subsist.[38] Data indicate that the majority endures a lower quality of life, including reduced caloric intake and greater economic dependency and aid reliance. The lower per capita GDP led to a decline in food consumption of 8 per cent. Palestinian households also reuse wastewater at a rate of 45.3 per cent, up from 44.7 per cent in 2005 and 39.3 per cent in 1999.[29]

53. Mental health is an increasing concern in the occupied Palestinian territory. Comprehensive data are lacking, but localized studies have shown that stressors such as severe movement restriction and lack of access to education and health care are present in everyday life. About one in four people reports suffering from some sort of psychological strain.

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[36] Report of the Secretary-General on children and armed conflict (A/61/529-S/2006/826), para. 67.

[37] WHO considers a major public health problem a prevalence above 20 per cent.

[38] UNCTAD, op. cit., para. 8.

Youth and education

54. The public workers' strike disrupted education services. The majority of public schools were totally or partially closed, affecting some 70 per cent of students.[39]

55. In the 2006/07 academic year, no student in Gaza was able to attend technical training centres in the West Bank because none received permits to travel there. Only 10 students applied, down from the 277 who had been rejected in the previous school year.

56. Although 2005/06 examination scores improved over the previous year, educational achievement continues to wane. Only 50 per cent of West Bank eighth-grade students passed their mathematics examinations, and only 56 per cent passed their science examinations.

57. Internal closures forced teachers in the Gaza Strip away from their duty stations. Since October 2000, UNRWA schools have lost 277,973 days at a cost of over $5,559,460. During the 2005/06 scholastic year, UNRWA teachers, including those at the Gaza training centre, recorded a total loss of 13,674 teaching days. This represented an improvement over the 56,000 recorded lost during the previous reporting period.

Economic indicators

58. The unemployment rate rose to 30 per cent in the third quarter of 2006 from 29.4 per cent at the end of 2005, affecting 265,000 Palestinians and their dependants.[40] Although this rate might appear to be relatively stable under the crisis circumstances, further analysis reveals discrepancies between the West Bank and the Gaza Strip, the latter showing an increase of 2.2 per cent.[41] The refugee population is affected by a higher unemployment rate (32.7 per cent in November 2006) that is rapidly rising.[42] In the first half of 2006, refugee unemployment rose 5.7 per cent over the rate for the same period in 2005.[29] Young people (20-24 years) had the highest unemployment rate: 32.3 per cent in the West Bank and 53.7 per cent in Gaza Strip. Around 44,000 young people are expected to enter the labour force annually.[42] It should be noted that, while the 2005/06 employment rate appears to have remained relatively stable, the rate is now about twice that of 1999. Moreover, income derived from formal employment is likely to have fallen, thus explaining the sharp rise in poverty.

59. The number of Palestinians living in poverty in the occupied Palestinian territory is estimated at 64 per cent.[41] The most pronounced increase was seen in the Gaza Strip, where 87.7 per cent of households live below the official poverty line.[43]

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[39] UNICEF, "Six months without pay spark teachers' strike in Gaza and West Bank", New York, 5 September 2006.

[40] In a context of protracted crisis, the standard unemployment definition might be somehow deficient, since a considerable number of people simply no longer seek employment. A "relaxed definition" of unemployment is here applied, by adding to the total number of unemployed people (according to International Labour Organization standards) the number of people currently not engaged in active job hunting (commonly defined as "inactive").

[41] Office for the Coordination of Humanitarian Affairs, *Humanitarian Monitor* (November 2006).

[42] UNRWA, *Prolonged crisis in the Occupied Palestinian Territories: socio-economic impacts of the new phase on refugees and non-refugees* (November 2006).

[43] UNRWA, *Prolonged crisis in the occupied Palestinian territories: recent socio-economic trends* (November 2006).

The number of Palestinians living in deep poverty throughout the occupied Palestinian territory rose by 64.3 per cent to affect some 1,069,200 people.[43] At the end of the second quarter of 2006, the number of poor Palestinians increased to 2.1 million, compared with 1.3 million at the end of 2005.[29]

60. Palestinian GDP declined by approximately 8 per cent in the third quarter of 2006, compared to the same period in 2005. That decline was considerably less than was initially expected, mainly on account of both official and private inflows, including increased humanitarian assistance. Effects were felt the hardest in the Gaza Strip, where closures and poverty rates have been most prevalent.

61. Poverty, unemployment, closures and land loss are all causes of the current Palestinian housing shortage. However, a bigger crisis is looming: 401,867 of the households in the occupied Palestinian territory will need to build new housing units during the next 10 years. Official statistics, however, reveal that only 117,909 households will be able to do so.[13]

62. According to IMF, the banking sector in the occupied Palestinian territory remains sound, despite the depressed economy. Private sector deposits continued to expand slowly in 2006, and banks have continued to extend credit.[35]

63. Two aspects of Israeli controls over the Palestinian economy have been discussed above: intensifying closures within and around the Gaza Strip and the West Bank, and the withholding of Customs and VAT revenues since the first quarter of 2006. In addition to these, a new set of external financial controls has been introduced with the implementation of the temporary international mechanism of the European Commission. These controls are designed to ensure that Palestinian Authority government channels are bypassed while still allowing for public institutions to function and aid to be transferred to social hardship cases.

Status of women

64. A large majority of women in households (83 per cent) are not at all involved in economic activities. Younger females mostly assume the domestic work and are least involved in economic activities.[44]

65. In occupied East Jerusalem, as elsewhere in the West Bank affected by closures and the barrier, many families are reluctant to let their daughters go through the degrading experience of waiting at checkpoints or barrier crossing points, to be searched and subjected to harassment by Israeli soldiers, or have to walk long distances to avoid such experiences. Consequently, families are now much more likely to pressure young women to drop out of school and not pursue a higher level of education.

66. The general fragmentation of Palestinian communities has exacerbated the isolation of women; rural women constitute a particularly vulnerable group. Attendance at rural girls' schools declines further at each education level. While women account for 44.8 per cent of public sector workers in rural communities, the public sector strike and the withholding of wages have had a devastating effect on the overall poverty rate, which in rural areas has reached an alarming 59.4 per cent.

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[44] Report of the Graduate Institute of Development Studies, available at www.unige.ch/iued/new/information/ publications/pdf/ReportVIII_ES-EN.pdf.

67. Since family coping mechanisms are exhausted, children and women (especially pregnant women) are most vulnerable to domestic and gender-based violence.

III. Occupied Syrian Golan

68. The Syrian Golan remains under the Israeli occupation that began in 1967. Israel prevents the return of the Arab population of the occupied Syrian Golan expelled in 1967. As at March 2005, 27 of the 33 Israeli settlements, developed as agricultural colonies, produce wine, beef, fruit and mineral water for Israeli domestic and export markets at preferential terms, to the detriment of the produce of the Syrian Arabs.[45]

69. In April 2006, Israel began the construction of three new tourist settlements on the occupied Lake Tiberias lowlands.[45] Matzok Orvim is a new neighbourhood that expands the settlement of Qela, where tenders for 300 dunums of settlement construction were published in 2006. Another 100 families are expected to join the settlement by summer 2007.[46] Katzrin, the largest settlement in the occupied Syrian Golan, grows by 100 residents annually.[47] On 2 July, the Avne Eitan settlement in the southern Golan announced the arrival of 20 former Gaza settler families with a plan to build them 60 homes, plus 40 homes for more newcomers. Their settlers receive a 35-dunum land allotment.[45] In December 2006, the Interior Minister announced the intention to facilitate accelerated settlement construction near the border with the Syrian Arab Republic.[48] Israel officially seeks to double its Golan Heights settler population in the next 10 years.[49]

70. The Ministry of Health of Israel funds one basic health clinic operated by the Golan Arab community. The community operates and funds five health clinics by itself, providing basic maternal and newborn health services, including vaccinations. When necessary, Syrian Arab patients seek treatment in clinics inside the Israeli settlements, or at distant referral hospitals in Israel. In June 2006, the International Committee of the Red Cross (ICRC) opened an emergency and diagnostic medical centre in Majdal Shams and provided two ambulances, addressing long-assessed needs.[50]

71. Israel replaced the Syrian curriculum with its own educational system in 1967. Israel now operates six elementary schools, three junior high schools and two high schools for Syrian Arabs.

72. The destruction by Israel of fruit trees belonging to Syrian Arabs has continued. Israel is harvesting all the Banyas River's estimated 121 million m^3 of water per year.[51] The Golan Heights supply one third of Israel's water consumption,

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[45] Data contributed by the Syrian Arab Republic, Prime Ministry, State Planning Commission.

[46] *Ma'ariv* (11 October 2006).

[47] *Washington Post* (30 October 2006).

[48] Foundation for Middle East Peace, "Golan Update", *Settlement Report*, vol. 17, No. 1 (January-February 2007).

[49] *Washington Post* (30 October 2006).

[50] "Majdal Shams Hospital" project, occupied Golan: ICRC statement (20 June 2006) available at www.icrc.org/Web/Eng/siteeng0.nsf/htmlall/conference29-statement-200606.

[51] Report of the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Palestinian People and Other Arabs of the Occupied Territories (A/61/500), para. 84.

while Israel sells water to Syrian Arabs at prices higher than those charged to Israeli settlers.[45] Israel has confiscated Arab-owned acreage traditionally used for pasture, and that has transformed production, commercial and land-use patterns and eliminated traditional rural and pastoral occupations. Indigenous Syrian livestock production and trade have decreased. Trade in Syrian Arab-produced apples, olive oil and honey are dependent on Israeli markets. This year, ICRC helped to transport 10,000 tons of Arab-produced Golani apples to the Syrian market.[52] Israel helped to facilitate this transport and subsidized the farmers.

73. The Syrian Arab labour force in the occupied Syrian Golan numbers approximately 6,500 workers, of whom some 750 work in local services. Another 3,200 work in Israel in agriculture and construction. Local opportunities in the construction sector remain limited due to planning criteria, particularly those restricting Syrian Arab housing.

IV. Conclusions

74. A combination of intensified external and internal closures, the withholding of vital financial assistance from the Palestinian Authority and intensified conflict in 2006 have led to a measurable deepening of the socio-economic crisis in the occupied Palestinian territory. All social and public health indicators reveal declining standards in living conditions, social and spatial dismemberment, growing despair and violence. This crisis on the ground was accompanied by a weakening capacity of Palestinian institutions to independently provide for the essential services and welfare of the Palestinian population.

75. The crisis has been partly offset by increased international investment through alternative funding channels. The situation prompted the United Nations country team to launch a common appeal in December 2006 which, at $453 million, was double the amount requested in 2005. Increasing proportions of international assistance were shifted from long-term development support to immediate emergency response. While these temporary measures served to stabilize the situation to a significant degree, they were not expected to contribute to the long-term improvement of socio-economic conditions in the occupied Palestinian territory. Nor were they expected to be a substitute for the direct responsibility of local parties, or for a rejuvenated political process that could address the underlying issues of the conflict.

[52] "Occupied Golan: ICRC supports local communities by transporting apples" (2 March 2007), at www.alertnet.org/thenews/fromthefield/220224/191cfd29ce6b306bf05478513bcdf60e.htm.